

St. Peter eyeing new affordable housing neighborhood

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Photo courtesy of CoNorth

An artist's rendering of what the affordable housing community could look like in St. Peter, as depicted on a CoNorth press release.

ST. PETER — At the most basic level, growth is the goal of just about every city.

How to achieve that growth can be the difficult question the cities can spend both years and countless dollars trying to answer. In St. Peter, they're hoping a new development project could bring them to an answer without much of an investment in either time or money.

“It’s getting harder and harder to be a first-time home buyer, and so (we’re looking at) what can we do to help make first time home buying more affordable,” City Administrator Todd Prafke said.

A potential solution came before the St. Peter City Council on Aug. 24 when nonprofit developer CoNorth approached the city with the idea of building an affordable housing neighborhood.

“This is north of Rivers Edge Hospital, about four or five blocks as the crow flies, in really the northwest corner of St. Peter,” Prafke said.

CoNorth would develop the neighborhood, which could see up to 60 new homes be made available. According to a press release from the company, the community will be a place where “residents will own the homes and cooperatively own the land, while the city will own the streets and utilities.”

The council voted on Aug. 24 to move forward with the proposal, which saw CoNorth send some money to the city for the design portion of the engineering process.

Prafke says that, as the design portion comes close to completion, both the city and CoNorth have the ability to back out of the development agreement if cost estimates come back too high. Assuming the project continues, development and construction of the first 20 to 30 homes will be wrapped around the fall of 2027, Prafke estimates, with CoNorth paying the bill for the project.

“CoNorth would ultimately pay for that as a part of assessments,” Prafke said. “The city really won’t have any money into this, it will be CoNorth and the folks that live there that will pay, ultimately, the infrastructure cost. Now, they might be paying that over five, 10 (or) 20 years, but they’ll be paying for all that cost, including engineering, water sewer, main, all that kind of stuff.”

To Prafke, that plan could give the city an important asset at a low cost.

“This is housing for folks that work within our community. They might be a first-year schoolteacher, they might be a mechanic, they might be the folks that work at Jimmy John’s. Whatever it is, that’s how you provide opportunities within (a) community,” Prafke said.